



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

March 21, 2019

Robert Nead, Manager  
Coal Energy Group 2, LLC  
6602 Ilex Circle  
Naples, Florida 34109

Subject: Five Year Permit Renewal, Wildcat Loadout, Coal Energy Group 2, LLC, C/007/0033

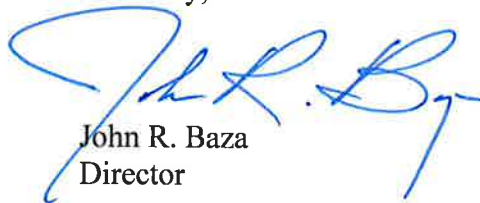
Dear Mr. Nead:

The permit renewal for the Wildcat Loadout is approved effective May 5, 2019. Enclosed are two (2) copies of the renewed permanent program permit with one special condition for the Wildcat Loadout to be signed by the designated signatory authority for Coal Energy Group 2, LLC.

Please return one signed original to the Division.

If you have any other questions, please call me or Steve Christensen at (801) 538-5350.

Sincerely,



John R. Baza  
Director

JRB/SKC/ss  
Enclosures  
O:\007033.WCL\PERMIT\2019\John Baza Letter.doc

**UTAH DIVISION OF OIL, GAS AND MINING  
STATE DECISION DOCUMENT**

**For  
PERMIT RENEWAL**

**Coal Energy Group 2, LLC  
Wildcat Loadout  
C/007/0033  
Carbon County, Utah**

**March 21, 2019**

- \* Administrative Overview
- \* Permitting Chronology
- \* Findings
- \* Permit
- \* Affidavit of Publication
- \* AVS Recommendation

## **ADMINISTRATIVE OVERVIEW**

Coal Energy Group 2, LLC  
Wildcat Loadout  
C/007/0033  
Carbon County, Utah

March 21, 2019

### **BACKGROUND**

The Wildcat Loadout facility is located three miles west of U.S. Highway 6, on Consumers Road near the town of Helper in Carbon County, Utah. The permit area comprises approximately 111 acres. The permit acreage includes Bureau of Land Management Rights of Way and the Utah Railway Company.

The initial right-of-way was granted to Andalex Resources, Inc. (Andalex) in January 1982. The Wildcat Loadout Facility initiated operations in April 1985. Prior to the opening of the Wildcat Loadout Facility by Andalex, a portion of the present permit area was previously utilized as a coal loadout by other entities. Division of Oil, Gas, and Mining jurisdiction over the Wildcat Loadout Facility was established by programmatic changes finalized in January 1986. Prior to that time, the Division had no jurisdiction over this type of facility. The original SMCRA permit was issued to Andalex on May 5, 1989. The permit was subsequently renewed in 1994, 1999, 2004 and 2009.

In 2011 ownership of the loadout was transferred from Andalex to Intermountain Power Agency (IPA) with a permit being issued to IPA on June 27, 2011. This permit was renewed as of May 5, 2014.

The facility crushes, screens, and sorts coal hauled from various mines. The facility has received coal from various sources including the Centennial Mine, operated by Andalex, the Crandall Canyon Mine operated by Genwal Resources, Inc. and the West Ridge Mine operated by West Ridge Resources, Inc., and most recently from the Bear Canyon Mine operated by Castle Valley Mining, LLC. This facility is designed to handle up to 5.5 million tons of coal annually.

A letter providing notice of temporary cessation was submitted to the Division on September 10, 2010. This was in anticipation of the legal transfer of the ownership of the facility to IPA. Soon after the permit was acquired by IPA, they restarted the operations. The facility became idle and went into temporary cessation on September 27, 2016.

A transfer application that will assign the permit to Coal Energy Group 2, LLC was received on September 13, 2018 and approved November 9, 2018.

## **PERMIT RENEWAL**

Coal Energy Group 2, LLC made application to the Division of Oil, Gas and Mining for a five year permit renewal for the Wildcat Loadout on December 31, 2018.

The renewal application was determined administratively complete on January 3, 2019. Public notice for this permit renewal was published on January 16, 23 and 30, 2019 and February 6, 2019 in the ETV Newspaper.

## **ANALYSIS**

Requisite information for the permit renewal application was made and all notices were published as required. As result of the publication in the ETV Newspaper, no comments were received.

## **RECOMMENDATION**

Approval for this permit renewal is recommended.

## PERMITTING CHRONOLOGY

Coal Energy Group 2, LLC  
Wildcat Loadout  
C/007/0033  
Carbon County, Utah

March 21, 2019

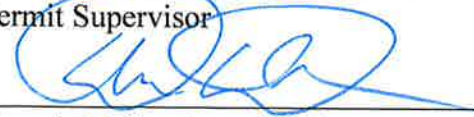
December 31, 2018	Coal Energy Group 2, LLC submitted a permit renewal application for the Wildcat Loadout.
January 3, 2019	Determination of Administrative Completeness for this permit application.
January 3, 2019	Permit renewal completeness determination sent to applicable state, federal and county agencies.
January 16, 23, 30 And February 6, 2019	Public notice for permit renewal for the Wildcat Loadout was published in the ETV Newspaper.
March 8, 2019	No comments were received.
March 21, 2019	A compliance check through the AVS system is completed showing no unsettled violations for Coal Energy Group 2, LLC.
March 21, 2019	Permit renewal approved effective May 5, 2019.

## PERMIT TRANSFER FINDINGS

Wildcat Loadout Permit Renewal  
Coal Energy Group 2, LLC  
C/007/0033  
Carbon County, Utah

March 21, 2019

1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance (Arch Insurance Company #EPO103570200)(R645-303-233.140).
6. The operator has a Reclamation Bond on file with the Division and has provided evidence that this instrument will remain in full effect. (RLI Insurance Company #ROG001354 in the amount of \$1,192,000) (R645-303-342).
7. The operator has submitted all applicable, revised or updated information as required by the Division at this time. (R645-303-233.160).

  
\_\_\_\_\_  
Permit Supervisor  
\_\_\_\_\_  
Associate Director of Mining  
\_\_\_\_\_  
Director

**FEDERAL**

**C/007/0033**

**May 5, 2019**

**STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340**

This permit, C/007/0033, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Coal Energy Group 2, LLC  
6602 Ilex Circle  
Naples, Florida 34109  
(329) 825-2332**

for the Wildcat Loadout Facility. Coal Energy Group 2, LLC is the leasee of Bureau of Land Management Rights of Way (ROW) No. U48027 and U52810. A surety bond is filed with the Division in the amount of \$1,192,000, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining, Reclamation and Enforcement (OSMRE). The Division must receive a copy of this permit signed and dated by the permittee.

- Sec. 1     STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2     PERMIT AREA** - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Wildcat Loadout Facility situated in the State of Utah, Carbon County, and located in:
- Township 13 South, Range 9 East, Section 33, SLBM  
NW1/4SE1/4, N1/2SW1/4SE1/4, E1/2E1/2NE1/4SW1/4, E1/2NE1/4SE1/4SW1/4, NE1/4SE1/4SE1/4SW1/4, NW1/4SW1/4SW1/4SE1/4, E1/2SE1/4SW1/4NE1/4 and portions of N1/2NW1/4NE1/4SE1/4, NE1/4SW1/4NE1/4, SW1/4SW1/4NE1/4, NW1/4SE1/4SW1/4NE1/4, W1/2NE1/4SW1/4, W1/2E1/2NE1/4SW1/4, W1/2E1/2SE1/4SW1/4.

Township 13 South, Range 9 East, Section 33, SLBM

Beginning at a point 2.476.01 feet North and 546.66 feet West of the Southeast corner of Section 33, Township 13 South, Range 9 East, SLBM, then South 767.24 feet to the intersection of the Western edge of Trestle Road, then Southwesterly along said edge of road 1,169.87 feet to the intersection of the Eastern edge of the existing permit boundary, then North 1,588.74 feet along existing permit boundary, then Southeasterly 315.74 feet along existing permit boundary, then Northeasterly 522.25 feet along existing permit boundary to point of beginning. Contains 23.00 acres M/L

This legal description is for the permit area of the Wildcat Loadout Facility. The permittee is authorized to conduct coal mining and reclamation operations and related surface activities on the foregoing described property subject to the conditions of the Bureau of Land Management rights-of-way and all other applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit expires on May 5, 2024.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
  - (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit



area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

**Sec. 9 CONDUCT OF OPERATIONS** – The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 10 DISPOSAL OF POLLUTANTS** – The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

**Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

**Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If, during the course of coal mining and reclamation operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with these permitting actions as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

**THE STATE OF UTAH**

By: \_\_\_\_\_

Date: \_\_\_\_\_

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

\_\_\_\_\_  
**Authorized Representative of  
the Permittee**

Date: \_\_\_\_\_

Attachment A

**SPECIAL CONDITION**

1. Coal Energy Group 2, LLC must submit water quality data for the Wildcat Loadout Facility in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 21, 2019

To: Internal File

From: Steve Christensen, Coal Program Manager *SKC 3/21/19*

Subject: 510 (c) Recommendation for Coal Energy Group 2, LLC, Wildcat Loadout, C/007/0033, Task ID #5839

As of writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected for the Wildcat Loadout. There are no finalized civil penalties, which are outstanding and overdue in the name of Coal Energy Group 2, LLC. Coal Energy Group 2, LLC does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Wildcat Loadout that states there are no outstanding violations.

O:\007033.WCL\PERMIT\2019\510c.doc





U.S. Department of the Interior  
Office of Surface Mining Reclamation and  
Enforcement

Applicant/Violator System

Evaluation on Application Number: C0070033 SEQ:9

0 Violations

suzanne.steab

Help

Logout

**Evaluation OFT**

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**Entities: 12**

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119705 Intermountain Power Agency - ()  
---112517 Edward D Collins - (Director)  
---112517 Edward D Collins - (Secretary)  
---119711 Ted L Olson - (Chairman of the Board)  
---119711 Ted L Olson - (Director)  
---124915 Dan R Eldredge - (Manager)  
---251398 Fred Moss - (Director)  
---254350 Blaine J Haacke - (Chairman of the Board)  
---254350 Blaine J Haacke - (Director)  
---254351 Eric D Larsen - (Director)  
---254351 Eric D Larsen - (Treasurer)  
---254352 LaVon S Mellor - (Director)  
---257858 Nick Tatton - (Director)  
261449 Coal Energy Group 2, LLC - ()  
---036531 Robert C Nead Jr - (Manager)  
---247290 James J Wayland - (Manager)

**Narrative**

Request Narrative

# PROOF OF PUBLICATION AFFIDAVIT

I, Scottie Draper, being first duly sworn, state that I am the Publisher of ETV News, a weekly newspaper of general circulation published at Price, County of Carbon, State of Utah; and that the advertisement or notice, a printed copy of which is attached hereto, was printed and published in said newspaper for four issues and on [www.utahlegals.com](http://www.utahlegals.com) website as follows:

January 16, 2019

January 23, 2019

January 30, 2019

February 6, 2019

Scottie Draper

Scottie Draper, Editor

Subscribed to and sworn before me this 6<sup>th</sup> day of February, 2019.



Tanya Short  
Notary Public



## PUBLIC NOTICE

### PERMIT RENEWAL for WILDCAT LOADOUT Coal Energy Group 2, LLC Carbon County, Utah

Coal Energy Group 2, LLC ("CEG2"), a Nevada limited liability company, having offices located at 6602 Illex Circle, Naples, Florida 34109, has filed with the Utah Division of Oil, Gas and Mining an application for renewal of the existing Mining and Reclamation Permit C/007/033 for the Wildcat Loadout, located at 3 miles west of Highway 6 on Consumers Road, Helper, Utah. The permit area is located in Carbon County, Utah, depicted on the Standardville USGS topographic quadrangle map.

The existing permit area is described as follows:

Township 13 South Range 9 East, SLBM  
Section 33: NW1/4SE1/4, N1/2SW1/4SE1/4,  
E1/2E1/2NE1/4, E1/2NE1/4SE1/4SW1/4,  
NE1/4SE1/4SE1/4SW1/4, NW1/4SW1/4SW1/4SE1/4,  
E1/2SE1/4SW1/4NE1/4 and Portions of  
N1/2NW1/4NE1/4SE1/4, NE1/4SW1/4NE1/4,  
SW1/4SW1/4NE1/4, NW1/4SE1/4SW1/4NE1/4,  
W1/2NE1/4SW1/4, W1/2E1/2NE1/4SW1/4,  
W1/2E1/2SE1/4SW1/4. Additionally, beginning at a point  
2,477.87 feet North and 1,538.14 feet West of the Southeast  
Corner of Section 33, T13S, R9E, then South 1,443.96 feet,  
then Northwesterly 533.13 feet to East edge of PR-5, then  
Northerly along PR-5 1,118.86 feet then East along South  
edge of PR-1 122.82 feet to Point of Beginning. Addition-  
ally, beginning at a point 2,476.01 feet North and 546.66  
feet West of the Southeast corner of Section 33, Township  
13 South, Range 9 East, SLBM, then South 767.24 feet to  
the intersection of the Western edge of Trestle Road, then  
Southwesterly along said edge of road 1,169.87 feet to  
the intersection of the Eastern edge of the existing permit  
boundary, then North 1,588.74 feet along existing permit  
boundary, then Southeasterly 315.74 feet along existing per-  
mit boundary, then Northeasterly 522.25 feet along existing  
permit boundary to point of beginning.

A copy of this application is available for inspection at the  
Division of Oil, Gas and Mining at 1594 West North Temple,  
Suite 1210, Salt Lake City, Utah and at the Carbon County  
recorder's office. Comments, objections or requests for an in-  
formal conference should be addressed to the Utah Coal Pro-  
gram, Division of Oil, Gas and Mining at 1594 West North  
Temple, Suite 1210, P.O. Box 14801, Salt Lake City, Utah  
84114-5801.

Published in the ETV Newspaper January, 16th 23rd and  
30th, 2019 and February 6th, 2019.